

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1310 - SB 1388

March 15, 2013

SUMMARY OF BILL: Prohibits any municipal electric company and any electric co-operative, from charging a rate that is in excess of 200 percent of the rate prescribed by 47 U.S.C. § 224, when entering into attachment agreements with cable or telecommunications entities. This act shall only apply to agreements or renewals of existing agreement executed on or after July 1, 2013.

ESTIMATED FISCAL IMPACT:

Decrease Local Revenue – \$1,999,700

Assumptions:

- Based on information provided from a survey conducted by the Tennessee Municipal Electric Power Association (TMEPA) in 2012, with 83 percent of their membership reporting, there are 1,573,340 TMEPA poles statewide.
- The average annual fee charged by TMEPA for cable TV (CATV) is \$18.55 per pole, with 784,202 CATV attachments.
- The average annual fee charged by TMEPA for a telephone attachment is \$25.94 per pole, with 762,270 telephone attachments.
- The formula provided pursuant to 47 U.S.C. § 224 is on average \$8.00 per pole for CATV attachments and \$16.00 per pole for telephone attachments.
- The provisions of the bill would set the maximum rate to be charged for CATV attachments at \$16.00 per pole and a maximum of \$32.00 per pole for telephone attachments.
- Setting this maximum rate for CATV attachments will result in a recurring decrease in local government revenue estimated to be \$1,999,715 [(\$18.55 current rate – \$16.00 maximum rate) x 784,202 attachments].
- Based on the current average rate charged for telephone attachments and the maximum rate provided by the bill, there would not be a decrease in local government revenue from telephone attachments.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh